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IN THE

Supreme Court of the United States

OCTOBER TERM, 1968

No. 1,012

NATIONAL SPONGE CUSHION CO., INC.
Petitioner,
v.
ALLEN INDUSTRIES, INC., and
COLONIAL RUBBER WORKS, INC.,
Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

To The Honorable Supreme Court of the United States:

Respondents, Allen Industries, Inc. and Colonial Rubber Works, Inc., oppose the petition for writ of certiorari and respectfully submit the following matters for the Court's consideration.

CONSTITUTIONAL PROVISIONS, STATUTES AND RULES INVOLVED

In addition to the statutes cited in the petition, the following statutes also merit consideration and are included herein as an Appendix. Title 35, United States Code, Section 102(a); Title 35, United States Code, Section 102(g) and Title 35, United States Code, Section 112.

STATEMENT OF CASE

Petitioner's statement of the case is incomplete and, in some respects slanted and argumentative. Respondents, therefore, submit the following statement to further supplement and clarify the statement in the petition.

This is a patent suit involving petitioner's United States Patent 2,740,739, issued April 3, 1956. In essence, the patent relates to a carpet underlay material used for cushioning floor carpeting. The underlay consists of a coarse mesh fabric attached to one face of a chemically blown sponge rubber pad. The alleged novelty resides in the manner in which the fabric is attached by relying on rubber protrusions formed during the blowing of the sponge rubber which extend through the interstices of the fabric and effect a mechanical interlock of the fabric to the pad.

In the action for declaratory relief brought by respondents in the District Court below to have the patent held invalid, the petitioner insisted on a jury trial. A jury of eight men and four women, most without any technical background, heard extended testimony and arguments and were shown numerous physical and documentary exhibits on subjects such as rubber chemistry, carpet underlay manu-

facture and processing equipment, patent claim analysis and prior art products.

At the conclusion of the trial, respondents' motion for a directed verdict was denied and the jury thereafter rendered a verdict holding claim 1 of the patent in suit valid and infringed by some of respondents' products, while other almost identical products were found not to infringe by the jury. Respondents then moved for a judgment notwithstanding the verdict to have the patent declared invalid on a number of different legal grounds. The Trial Court, in granting the motion, relied on the ground that the subject matter of the patent was obvious in view of the prior art as established by the overwhelming, uncontroverted evidence and in strict conformance with the standards announced by this Court in *Graham v. John Deere Co.*, 383 US 1 (1966). The Circuit Court of Appeals below affirmed the decision of the Trial Court, acknowledging its thorough and well-reasoned opinion (3c).*

ARGUMENT FOR DENIAL OF WRIT

(A) There is No Real Conflict of Decisions

The petition should be denied since the matter sought to be reviewed by certiorari is no more than a garden variety patent case which involves matters of private interest and does not present any important Federal questions which have not already been clearly resolved by this Court. The physical exhibit (PX 196)** is illustrative of the carpet underlay products involved in this matter and

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* Respondents have adopted petitioner's abbreviations with regard to references to portions of the various appendices and in addition "(d)" refers to a page of the appendix to this brief.

** Physical exhibits PX 6, 50, 62, 121, 196 and 269 accompanied the petition for writ of certiorari.

claim 1 of the patent in suit, the only claim found by the jury to be infringed by any of respondents' products reads as follows:

> "1. A carpet underlay comprising a coarse-mesh fabric, and a sponge rubber facing on one side of said fabric and formed with bulges that are spaced from the fabric, said facing between the bulges, being in contact with the fabric and having a multiplicity of projections formed and forced by pressure from a blowing agent and extending into and through the interstices of the fabric."

The principal ground asserted by petitioner in favor of review by this Court is the existence of a conflict between decisions of the Ninth and Third Circuits regarding the validity of the patent in suit. In reality this conflict does not exist. In the decision below, the Third Circuit, in holding the patent invalid, correctly followed and applied the standard of invention set down by this Court with respect to the validity of a patent claim relative to the prior art and prior knowledge, most of which was not considered by the Ninth Circuit in its prior decision, 286 F2d 731 (1961), (29c-39c). The grant of the present petition would, therefore, serve no valid purpose other than restating the legal standards of a patentable invention which this Court has heretofore set forth in light of the facts and prior art before the Third Circuit Court of Appeals and not before the Ninth Circuit Court of Appeals.

The absence of any real conflict between the decisions regarding the validity of the patent in suit is clearly substantiated by the wealth of pertinent prior art evidence introduced by respondents and considered by the Court below which is not suggested in the petition as having been introduced and considered in the former Ninth Circuit proceedings. Even thus handicapped, the Ninth Cir-

cuit recognized, based on the fragmentary prior art considered, that the only apparent inventive feature of the carpet underlay resided in the key-locking bond for attaching the fabric to the sponge rubber pad. It is only claim 2 of the patent in suit which recites such an arrangement and the jury found that this claim was not infringed by any of respondents' accused products. The apparent novelty of this feature was clearly negated by the additional prior art evidence considered in the Third Circuit proceedings.

Specifically, the uncontroverted testimony from employees of Goodrich and U. S. Rubber showed that similar products (see physical exhibits PX 50 and 62 and the photographs at 154b, 155b, 158b-161b) comprising a sponge rubber pad and fabric was commercially made more than one year prior to the filing of the application maturing into the patent in suit, in which the fabric was attached to one face of the rubber pad without the use of adhesive by causing the rubber to blow through the interstices of the fabric and mushroom around the fabric threads forming a key-locking bond (14c-17c). The uncontroverted evidence (28c, 134b-137b, 161b, and physical exhibit PX 269) conclusively demonstrated that any differences between these prior art products and products covered by the patent in suit were of no patentable significance. The patent is thus invalid in view of Title 35, United States Code, Section 103. The foregoing similar prior art and testimony relating to the same was not presented in the Ninth Circuit proceedings.

The testimony of the president of petitioner who is listed as co-inventor of the patent in suit, clearly showed that in prior art products manufactured by petitioner, a key-locking bond between the sponge rubber pad and open mesh fabric had been observed even though a sup-

plemental adhesive was being used in the manufacture of such earlier products (17c). Claim 1 of the patent in suit clearly reads on petitioner's own prior art product. This can be seen by comparing claim 1 of the patent in suit (supra page 7) with the physical exhibit of petitioner's prior art product (PX 121) or the photograph of same (163b). The claim is thus invalid in view of Title 35, USC Sections 102a, 102g and 103. The petition does not suggest that similar evidence was considered in the Ninth Circuit proceedings.

Furthermore a number of prior art patents were introduced in evidence in this case which had not been previously cited by the Patent Office in evaluating the patentability of the subject matter of the patent in suit. The teachings of these prior art patents as supplemented by the uncontroverted testimony of expert witnesses, clearly substantiates that the bonding of fabric to sponge rubber by having the rubber enter through the interstices or holes of the fabric was old in the art (17c-19c). All five of these prior art patents were not before the Ninth Circuit Court of Appeals.

In addition to the anticipation of the subject matter of the patent in suit by the prior art cited, uncontroverted testimony (98b-105b) further substantiated the invalidity of the patent under Title 35, United States Code, Section 112, because the description of the invention in the specification did not comply with the statutory requirement (1d-2d). The evidence furthermore supported respondents' contention that claims 1 and 2 of the patent in suit were invalid under the law of double patenting in view of petitioner's earlier issued U.S. Patent 2,703,909, which encompassed the invention covered by claims 1 and 2 of this patent (138b-142b).

The petitioner has injected in the petition (Pg. 4) the existence of prior "consent decrees" in an attempt to distort the magnitude of the conflict beyond that which actually exists. They are of little moment since they were all entered in the Ninth Circuit after the earlier Ninth Circuit decision and prior to the recent Third Circuit decision, did not touch on the validity of the patent in suit and merely comprise settlements dictated by commercial considerations rather than the relative merits of the legal positions of the parties.

It is clear from the foregoing, that the conflict presented is one which arises purely from differences in the factual situations present in the Ninth and Third Circuits. In such different factual situations, this Court has rendered conflicting decisions with respect to the validity of the same patent, *Driven-Well cases,* 122 US 40; 123 US 267; 124 US 694. No useful purposes would, therefore, be served by granting the present petition in view of the different factual situations presented.

The confusing situation injected by the petitioner (Petition, Pg. 8) resulting from the two decisions are based on matters which are either non-existent or would not be resolved by a review of the case by this Court. Petitioner's concern over "false marking" is unfounded. There is no statutory provision that in any way penalizes the owner of a United States patent for marking his product even though all or portions of a patent have been held invalid in one or more Circuits. All licensing arrangements between the petitioner and its licensees are based on private contractual obligations relating to products different than those accused in the Court below. Furthermore a patent infringement suit is an "in personam" matter which is binding only on the parties to that suit and not on any other parties. *Hazeltine Research, Inc. v. Esnith Radio Corporation,* CA 7, 388 F2d 25 (1967), relying on *Hans-*

berry v. Lee, 311 US 32, 40-41, 61 S. Ct. 115, 117, 85 L. Ed. 22 (1940).

(B) There was No Denial of a Right to Trial by Jury

The secondary grounds asserted by petitioner seek this Court to again review and restate the well-established power and duty of a Trial Court to direct a verdict in favor of one party when the overwhelming and uncontroverted evidence dictates such verdict as a matter of law, notwithstanding a contrary conclusion by a jury. The granting of a judgment n.o.v. by the Trial Court and affirmed by the Third Circuit Court of Appeals in the decision below was made only after careful consideration of the voluminous evidence of record and in conformance with the well-established principles announced by this Court. Petitioner, therefore, merely seeks this Court, under the guise of a purported denial of the right to trial by jury, to again review the conclusions of law of both the District Court and the Court of Appeals for the Third Circuit.

Petitioner's implication of bias on the part of the Trial Court against juries, as purportedly supported by excerpts of statements made by the Court, taken out of context, (Petition, Pg. 9-13), is considered unworthy of dignification by lengthy comment. Suffice it to say, the record as considered by the Court of Appeals below clearly supports the Trial Court's painstaking fairness regarding matters of evidence and instructions to the jury. These statements, taken in their proper context, clearly evidence a genuine concern on the part of the Trial Court of the problems faced by a jury in a highly technical patent suit.

The uncontroverted testimony and documentary evidence establishing the existence and contents of the prior art at

the time the alleged invention of the patent in suit was made left no material factual issues for the jury's determination. In *Chesapeake & Ohio Railway Company v. Martin,* 283 US 209, 213-18 (1931), this Court held that the uncontradicted evidence of a witness, when positive and unimpeached by cross-examination or otherwise, and when not inherently improper or of doubtful verity by circumstances reflected on the record, may not be disregarded even though adduced from interested witnesses, and no question of credibility or issue of fact is presented for determination by a jury.

This Court has stated that the ultimate question of patent validity is one of law in *Graham v. John Deere Co.,* 383 US 1 (1966) and if a patent is invalid as a matter of law, the Trial Court has not only the power but the duty to grant a motion for judgment n.o.v. See *Bentley v. Sunset House Distributing Corp.,* 359 F2d 140, CA 9 (1966). In this case there were substantially no disputed relevant facts and the only question was whether upon weighing *all* the evidence there could be only one reasonable conclusion, namely that the patent was invalid. See *Brady v. Southern R. Co.,* 320 US 476 (1943). The mere presence of secondary facts, such as commercial success, does not create a factual conflict and does not alter the absence of any factual issue on the material facts for jury determination.

Respondents submit that the Trial Court's granting of the judgment n.o.v. was entirely proper in view of the absence of any material factual questions for jury determination and, therefore, no denial of petitioner's right to a jury trial is involved.

(C) The Obviousness of the Patented Subject Matter

The petition seeks this Court to again restate the test of "non-obviousness" under 35 U.S.C. 103, (1c), which this Court has so clearly set forth in *Graham v. John Deere Co. (supra)*. The clear unambiguous language of this Court's decision in *Graham* is susceptible to one interpretation, and only one interpretation, that the ultimate question of patentability is one of law, that "non-obviousness" of the subject matter is but one of three conditions (together with novelty and utility) which must be satisfied as a prerequisite of patentability and that the condition of "non-obviousness" lends itself to three basic factual inquiries, namely: (1) the scope and content of the prior art to be determined, (2) differences between the prior art and claims at issue are to be ascertained and (3) the level of ordinary skill in the pertinent art involved.

This Court's language is explicit that against this factual background, the ultimate question of "obviousness or non-obviousness" of the subject matter is determined as a matter of law. In *Graham*, this Court makes mention of further secondary factual considerations, such as commercial success, long-felt but unsolved needs, failure of others, etc., *as being of possible utility* to give light to the circumstances surrounding the origin of the subject matter sought to be patented.

This Court further anticipated that the application of the test announced in *Graham* would not be one devoid of any difficulty and stated (Pg. 18):

> [12] This is not to say, however, that there will not be difficulties in applying the nonobviousness test. What is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context. The difficulties, however, are comparable to those encountered daily by the courts

> in such frames of reference as negligence and scienter, and should be amenable to a case-by-case development. We believe that strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act.

It is clear that the Trial Court painstakingly and correctly applied the test of *Graham* to the patent in suit. While the Trial Court did not dwell on the third factual inquiry, i.e. level of ordinary skill, the awareness of the Trial Court of this as a factual inquiry under the doctrine of the *Graham* case is clearly evident and referred to throughout the reported decision.

The Trial Court decision refers in detail to the uncontroverted testimony and exhibits of employees of Goodrich and U. S. Rubber (14c-17c) and petitioner's own employees (17c) relative to the skill of persons in the art at the time of and prior to the alleged invention of the patent in suit. This evidence coupled with the teaching of the prior art patents (17c-20c) all established the level of ordinary skill in the carpet underlay art and clearly substantiated the Trial Court's complete consideration of the three factual inquiries of *Graham* and the appropriateness of the Trial Court's holding the patent in suit invalid for lack of nonobviousness as a matter of law.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the petition in this case raises no special and important questions requiring or justifying review by this Court and that the petition should therefore be denied.

Respectfully submitted,

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February 28, 1969.

APPENDIX

APPENDIX

APPENDIX

STATUTES INVOLVED

35 U.S.C. §102 (a), (g)

§102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

35 U.S.C. §112

§112. Specification

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or arts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.